WISE ALLY

Wise Ally International Holdings Limited
麗年國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9918)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS

	Six months ended 30 June		
	2025	2024	
	(Unaudited)	(Unaudited)	
	HK$'000	*HK$'000*	Changes
Revenue	**469,858**	563,536	(16.6%)
Gross profit	**78,727**	108,445	(27.4%)
Gross profit margin	**16.8%**	19.2%	(240bps)
Operating profit	**18,169**	28,406	(36.0%)
EBITDA *(Note 1)*	**36,778**	47,262	(22.2%)
Profit for the period attributable to equity holders of the Company	**14,338**	15,701	(8.7%)
Basic and diluted earnings per share (HK cents)	**14.34**	15.70	(8.7%)

Note 1: EBITDA stands for earnings before interest expenses, taxation, depreciation and amortisation.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Wise Ally International Holdings Limited (the "**Company**") announces the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2025 together with the comparative figures for the six months ended 30 June 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2025

	Note	**Six months ended 30 June 2025 (Unaudited) *HK$'000***	2024 (Unaudited) *HK$'000*
Revenue	*4*	**469,858**	563,536
Cost of sales		**(391,131)**	(455,091)
Gross profit		**78,727**	108,445
Other gains, net	*5*	**29,649**	3,194
Other income	*5*	**244**	1,550
Selling and distribution expenses		**(28,853)**	(27,159)
Administrative expenses		**(60,865)**	(57,624)
Provision for impairment losses on financial assets		**(733)**	–
Operating profit		**18,169**	28,406
Finance income	*6*	**3,127**	1,988
Finance costs	*6*	**(5,439)**	(9,999)
Finance costs, net	*6*	**(2,312)**	(8,011)
Profit before income tax		**15,857**	20,395
Income tax expense	*7*	**(1,519)**	(4,694)
Profit for the period attributable to equity holders of the Company		**14,338**	15,701
Other comprehensive loss:			
Item that may be subsequently reclassified to profit or loss			
Currency translation differences		**(673)**	(1,385)
Total other comprehensive loss for the period		**(673)**	(1,385)
Total comprehensive income for the period attributable to equity holders of the Company		**13,665**	14,316
Earnings per share attributable to equity holders of the Company			
Basic and diluted *(HK cents)*	*9*	**14.34**	15.70

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Note	**30 June 2025 (Unaudited) *HK$'000***	31 December 2024 (Audited) *HK$'000*
ASSETS			
Non-current assets			
Properties, plant and equipment		**97,324**	112,115
Intangible assets		**139**	292
Deposits and prepayments		**8,315**	9,456
Investments in joint ventures	*13*	**–**	–
Deferred tax assets		**6,455**	6,382
		112,233	128,245
Current assets			
Inventories		**173,077**	196,314
Trade receivables	*10*	**178,362**	270,925
Financial asset at fair value through profit or loss	*14*	**–**	21,230
Prepayments, deposits and other receivables		**22,879**	32,850
Amount due from a joint venture		**36**	26
Term deposits with original maturity over three months		**20,162**	48,576
Cash and cash equivalents		**299,792**	235,333
		694,308	805,254
Total assets		**806,541**	933,499
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**20,000**	20,000
Reserves		**214,804**	201,139
Total equity		**234,804**	221,139

	Note	30 June 2025 (Unaudited) HK$'000	31 December 2024 (Audited) HK$'000
LIABILITIES			
Non-current liabilities			
Provision for long service payment		**149**	149
Provision for reinstatement cost		**1,749**	1,749
Lease liabilities		**36,537**	49,099
		38,435	50,997
Current liabilities			
Trade payables	*11*	**217,571**	285,421
Contract liabilities, other payables and accruals		**153,703**	151,435
Lease liabilities		**24,556**	23,994
Bank borrowings	*12*	**123,774**	188,279
Amount due to a related company		**119**	171
Current income tax liabilities		**13,579**	12,063
		533,302	661,363
Total liabilities		**571,737**	712,360
Total equity and liabilities		**806,541**	933,499

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 January 2019 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company, and its subsidiaries are principally engaged in the manufacturing and sales of electronic products. The ultimate controlling shareholders of the Company and its subsidiaries (collectively, the "**Group**") are Mr. Chu Wai Hang Raymond ("**Mr. Raymond Chu**") and Mr. Chu Wai Cheong Wilson ("**Mr. Wilson Chu**") (collectively, the "**Controlling Shareholders**").

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 January 2020.

The condensed consolidated financial statements are presented in thousands of Hong Kong Dollar ("**HK$'000**"), unless otherwise stated.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The condensed consolidated financial information has been prepared in accordance with the same accounting policies adopted in the Group's consolidated financial statements for the year ended 31 December 2024 (the "**2024 financial statements**"). The condensed consolidated financial information and notes thereon do not include all of the information required for the preparation of a full set of financial statements in accordance with the HKFRS Accounting Standards as issued by the HKICPA, and should be read in conjunction with the 2024 financial statements.

3. ADOPTION OF NEW AND AMENDED STANDARDS

(a) Amended standards adopted by the Group

The Group has adopted the following amended standards for the first time for the current reporting period beginning 1 January 2025:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability

The amended standards did not have material impact on the Group's accounting policies and did not require any adjustments.

(b) New and amended standards and interpretation issued but not yet adopted by the Group

The following new and amended standards and interpretation that are not effective for period commencing on 1 January 2025 and have not been early adopted by the Group:

		Effective for accounting period beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

The Group will adopt the above new and amended standards and interpretation as and when they become effective. Management has performed preliminary assessment and does not anticipate any significant impact on the Group's financial position and results of operations upon adopting these new and amended standards and interpretation.

4. REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and the Group is principally engaged in the manufacturing and sales of electronic products.

The chief operating decision maker has been identified as the Chief Executive Officer ("**CEO**") of the Company. The CEO reviews the Group's internal reporting in order to assess performance and allocate resources. The CEO has determined the operating segment based on these reports.

The CEO considers the Group's operation from a business perspective and determines that the Group has one reportable operating segment being manufacturing and sales of electronic products.

The CEO assesses the performance of the operating segment based on a measure of revenue and gross profit.

During the six months ended 30 June 2025 and 2024, all of the Group's revenues were from contracts with customers and were recognised at a point in time.

(a) Revenue from major customers who have individually contributed to 10% or more of the total revenue of the Group

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Customer A	**77,196**	116,537
Customer B	**N/A***	72,695
Customer C	**N/A***	64,068
Customer D	**72,131**	N/A*

* The corresponding customers did not contribute over 10% of the total revenue of the Group for the denoted periods.

(b) Segment revenue by customers' geographical location

The Group's revenue by geographical location, which is determined by the delivery location, is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
United States ("**U.S.**")	**174,410**	137,435
Philippines	**111,255**	180,454
Chinese Mainland	**71,068**	111,493
Ireland	**33,477**	40,826
Switzerland	**14,998**	9,025
Malaysia	**12,449**	18,063
Germany	**11,079**	9,707
Hong Kong	**8,856**	7,241
United Kingdom	**6,271**	21,756
Belgium	**4,797**	48
Singapore	**3,926**	2,453
Mexico	**3,074**	11,364
India	**2,916**	4,978
Estonia	**2,474**	1,847
Netherlands	**1,796**	1,176
Norway	**1,717**	1,189
Others *(Note)*	**5,295**	4,481
	469,858	563,536

Note: Others mainly include (i) European countries such as Bulgaria, Croatia, France, Italy and Luxembourg; and (ii) Australia, Canada, Japan, New Zealand, Taiwan, Turkey, and United Arab Emirates.

(c) Details of contract liabilities

	30 June 2025 (Unaudited) *HK$'000*	31 December 2024 (Audited) *HK$'000*
Contract liabilities *(Notes)*	**17,285**	12,818

Notes:

(i) Contract liabilities represent advanced payments received from the customers for goods of which the controls have not yet been transferred to the customers.

(ii) Unsatisfied performance obligation

As at 30 June 2025, all performance obligations not yet satisfied by the Group were from contracts with original expected duration of less than one year. Therefore, as permitted by the relevant practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations were not disclosed.

(d) Non-current assets by geographical location

The total amounts of non-current assets, other than financial instruments and deferred tax assets, of the Group as at 30 June 2025 and 31 December 2024 are located in the following regions:

	30 June 2025 (Unaudited) *HK$'000*	31 December 2024 (Audited) *HK$'000*
Hong Kong	**9,268**	11,953
Chinese Mainland	**91,827**	104,955
	101,095	116,908

5. OTHER GAINS, NET AND OTHER INCOME

(a) Other gains, net

	Six months ended 30 June	
	2025 (Unaudited) *HK$'000*	2024 (Unaudited) *HK$'000*
Loss on disposal of properties, plant and equipment	**(142)**	(21)
Gain on disposal of a joint venture *(Note 13)*	**730**	–
Exchange gains	**5,833**	3,215
Gain on fair value changes of financial asset at FVTPL *(Note 14)*	**23,228**	–
	29,649	3,194

(b) Other income

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Government grants	**202**	200
Others	**42**	1,350
	244	1,550

6. FINANCE COSTS, NET

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest income on bank deposits and convertible bonds	**(3,127)**	(1,988)
Finance income	**(3,127)**	(1,988)
Interest expenses on bank borrowings	**3,677**	7,787
Interest expenses on lease liabilities	**1,762**	2,212
Finance costs	**5,439**	9,999
Finance costs, net	**2,312**	8,011

7. INCOME TAX EXPENSE

Pursuant to the enactment of two-tiered profits tax rates by the Inland Revenue Department of Hong Kong from the year of assessment 2019/20 onwards, the first HK$2 million of assessable profits for the Group's subsidiary in Hong Kong under Hong Kong profits tax is subject to a tax rate of 8.25%. The remaining assessable profits above HK$2 million will continue to be subject to a tax rate of 16.5%.

During the six months ended 30 June 2025 and 2024, Hong Kong profits tax of the qualified subsidiary of the Group is calculated in accordance with the two-tiered profits tax rates regime.

During the six months ended 30 June 2025 and 2024, the Group's subsidiary in the PRC is subject to corporate income tax ("**CIT**") at a standard rate of 25%.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current income tax expense	**1,632**	4,849
Deferred income tax credit	**(113)**	(155)
Income tax expense	**1,519**	4,694

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 and 2024.

9. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit for the period attributable to equity holders of the Company *(HK$'000)*	**14,338**	15,701
Weighted average number of ordinary shares in issue *('000)*	**100,000**	100,000
Basic and diluted earnings per share *(HK cents)*	**14.34**	15.70

There was no difference between the basic and diluted earnings per share as there were no potential dilutive ordinary shares outstanding throughout both periods.

10. TRADE RECEIVABLES

(a) As at 30 June 2025 and 31 December 2024, the carrying amounts of trade receivables approximated their fair values, which were as follows:

	30 June 2025 (Unaudited) ***HK$'000***	31 December 2024 (Audited) *HK$'000*
Trade receivables	**186,454**	278,284
Less: Provision for impairment of trade receivables	**(8,092)**	(7,359)
	178,362	270,925

The Group's sales are made on credit terms ranging from 15 to 120 days.

(b) As at 30 June 2025 and 31 December 2024, the aging analysis of trade receivables, net of impairment, based on invoice date, were as follows:

	30 June 2025 (Unaudited) ***HK$'000***	31 December 2024 (Audited) *HK$'000*
Within 1 month	**91,844**	125,320
1 to 2 months	**46,507**	96,967
2 to 3 months	**31,370**	40,186
Over 3 months	**8,641**	8,452
	178,362	270,925

(c) As at 30 June 2025 and 31 December 2024, the aging analysis of trade receivables, net of impairment, based on payment due date, were as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	HK$'000	*HK$'000*
Current and due within 1 month	**157,140**	261,865
1 to 2 months	**10,592**	3,422
2 to 3 months	**5,634**	1,626
Over 3 months	**4,996**	4,012
	178,362	270,925

11. TRADE PAYABLES

(a) As at 30 June 2025 and 31 December 2024, the aging analysis of trade payables, based on invoice date, were as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	HK$'000	*HK$'000*
Within 1 month	**101,222**	175,149
1 to 2 months	**41,646**	36,281
2 to 3 months	**36,827**	28,639
Over 3 months	**37,876**	45,352
	217,571	285,421

As at 30 June 2025 and 31 December 2024, the carrying amounts of trade payables approximated their fair values.

(b) As at 30 June 2025 and 31 December 2024, the aging analysis of trade payables, based on payment due date, were as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	HK$'000	*HK$'000*
Current and due within 1 month	**191,734**	273,686
1 to 2 months	**16,179**	2,966
2 to 3 months	**2,855**	2,238
Over 3 months	**6,803**	6,531
	217,571	285,421

12. BANK BORROWINGS

	30 June 2025 (Unaudited) *HK$'000*	31 December 2024 (Audited) *HK$'000*
Bank borrowings – repayable on demand	**123,774**	188,279

The borrowings were repayable, without taking into account the repayable on demand clauses, as follows:

	30 June 2025 (Unaudited) *HK$'000*	31 December 2024 (Audited) *HK$'000*
Within 1 year	**123,774**	188,279

As at 30 June 2025 and 31 December 2024, certain Group's bank borrowings and banking facilities were secured through the undertakings given by Mr. Raymond Chu, an executive director and Controlling Shareholder of the Company, and Mr. Wilson Chu, a Controlling Shareholder of the Company. The undertakings given by Mr. Raymond Chu and Mr. Wilson Chu stipulate that for so long as these bank facilities are available to the Company, Mr. Raymond Chu and Mr. Wilson Chu undertake to (i) notify the bank before pledging their shares of the Company; if their shares are pledged, a facility review of the Company will be triggered, and (ii) at all times collectively maintain at least 51% of the beneficial shareholding interest in the Company and collectively remain the single largest shareholder of the Company.

13. INVESTMENTS IN JOINT VENTURES

On 10 February 2025, Wise Ally Holdings Limited ("**Wise Ally Holdings**"), an indirect wholly-owned subsidiary of the Company, and the Company entered into the sale and purchase agreement with Ms. Chang Wai Han Vivian ("**Ms. Vivian Chang**") and Talentone Technology Limited ("**TTL**"), pursuant to which Wise Ally Holdings conditionally agreed to sell, and Ms. Vivian Chang has conditionally agreed to purchase, 10% issued shares of TTL at a consideration of HK$730,000 (the "**Disposal**"). The Disposal was completed on 13 February 2025. Upon completion of the Disposal, Wise Ally Holdings ceased to hold any equity interest in TTL.

Movements in the investments in joint ventures are as follows:

	30 June 2025 (Unaudited) *HK$'000*	31 December 2024 (Audited) *HK$'000*
At the beginning of the period/year	**–**	–
Addition	**–**	10
Disposal *(Note 5(a))*	**–**	–
Share of loss of a joint venture	**–**	(10)
At the end of the period/year	**–**	–

14. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 (Unaudited) *HK$'000*	31 December 2024 (Audited) *HK$'000*
Convertible Bonds ("**CB**"), at fair value, in Hong Kong	**–**	21,230

On 28 January 2022, the Group entered into a subscription agreement (the "**CB Subscription Agreement**") with TTL, pursuant to which the Group agreed to subscribe two tranches of convertible bonds in the aggregate principal amount of HK$44,000,000 (the "**CB**") issued by TTL (the "**CB Subscriptions**"). The issue of each tranche of the CB Subscriptions is subject to the fulfilment or waiver (as the case may be) of the conditions precedent set out in the CB Subscription Agreement.

The subscription of the first tranche of CB in principal amount of HK$22,000,000 was completed on 22 March 2022, and the subscription of the second tranche of CB in principal amount of HK$22,000,000 was completed on 12 September 2023.

The first and the second tranches of the CB can be converted into an aggregate of 30% equity interest in TTL as enlarged by (i) 10% equity interest of TTL subscribed by the Group on 22 March 2022 (the "**Subscription Shares**") and (ii) the new shares issued by TTL pursuant to the exercise of the conversion rights attached to the CB (the "**Conversion Shares**") until the maturity date. As disclosed in the announcement of the Company dated 12 September 2023 in relation to the completion of disclosable transaction regarding the second tranche CB, both the Group and TTL agreed to extend the maturity date of both the first and the second tranches of the CB to 24 March 2025 (the "**Extended Maturity Date**").

The CB are unsecured, interest-bearing at 1% per annum and repayable on the Extended Maturity Date or convertible into an aggregate of 30% equity interest in TTL as enlarged by the Subscription Shares and the Conversion Shares from the date of the second tranche of CB subscription until the Extended Maturity Date.

On 10 February 2025, Mr. Raymond Chu, the chairman, executive Director and chief executive office of the Company, entered into a termination deed ("**Termination Deed**") with TTL and the Ms. Vivian Chang pursuant to which, among others, all the rights and obligations of Mr. Raymond Chu and TTL under the put option agreement dated 12 September 2023 entered into between Mr. Raymond Chu and TTL in relation to the grant of the right to require Mr. Raymond Chu to purchase new shares of TTL, to the extent that the Wise Ally Holdings and Mr. Raymond Chu shall together hold 30% of the total number of shares issued by the TTL after the new issue of shares of TTL at the exercise price of HK$44,000,000, was terminated with immediate effect upon execution of the Termination Deed.

On the same date, Wise Ally Holdings received a deed of undertaking ("**Undertaking**") issued by Mr. Raymond Chu, in favour of Wise Ally Holdings, pursuant to which Mr. Raymond Chu unconditionally and irrevocably agrees and undertakes to pay, within 14 business days after the Extended Maturity Date, to Wise Ally Holdings for and on behalf of TTL the outstanding principal amount of the CB, together with all outstanding interests accrued up to and including the Extended Maturity Date (collectively, the "**Outstanding CB Principal and Interest**"), pursuant to the terms and conditions of the CB Subscription Agreement. The Outstanding CB Principal and Interest have been fully paid by Mr. Raymond Chu to Wise Ally Holdings for and on behalf of TTL, pursuant to the Undertaking.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The Group recorded revenue of approximately HK$469.9 million for the first half of 2025 (first half of 2024: approximately HK$563.5 million), reflecting a decrease of approximately HK$93.6 million, or approximately 16.6%. For the first half of 2025, our products were shipped to over 25 (first half of 2024: 24) countries and regions. The U.S. became our largest market, which contributed to approximately HK$174.4 million (first half of 2024: approximately HK$137.4 million), or approximately 37.1% (first half of 2024: approximately 24.4%) of our total revenue. Gross profit amounted to approximately HK$78.7 million (first half of 2024: approximately HK$108.4 million), representing a decrease of approximately HK$29.7 million, or approximately 27.4%, while the gross profit margin apparently decreased from 19.2% for the first half of 2024 to 16.8% for the first half of 2025. The decrease in the revenue and the gross profit of the Group in the first half of 2025 as compared to the corresponding period in 2024 was mainly attributable to a reduction in customer orders from our key customers, who were transitioning to new product development cycles. This has resulted in changes to the product mix and adversely affected our contribution margins and gross profit, and the uncertainty surrounding the scope, scale and duration of the U.S. tariff policies has created a cautious approach among customers, resulting in their reduction in orders or delayed purchasing decisions.

To reduce the borrowing costs, measures have been taken to lower bank borrowings by HK$64.5 million, or approximately 34.3% from HK$188.3 million as at 31 December 2024 to HK$123.8 million as at 30 June 2025. In the meantime, a more proactive approach to debt collection has been implemented in the trade receivable management, which has resulted in a decrease of HK$92.5 million, or approximately 34.1% from approximately HK$270.9 million as at 31 December 2024 to approximately HK$178.4 million as at 30 June 2025. In response to the prevailing uncertainty surrounding the U.S. tariff policies, the Group has strategically and prudently moderated the procurement activities, leading to a decrease in inventories from approximately HK$196.3 million as at 31 December 2024 to approximately HK$173.1 million as at 30 June 2025.

The Group has recorded net other gains of approximately HK$29.6 million (first half of 2024: approximately HK$3.2 million), representing an increase of approximately HK$26.4 million. This increase was primarily attributable to a one-off gain on fair value changes of financial asset at fair value through profit or loss for the six months ended 30 June 2025 of approximately HK$23.2 million, which relates to the Group's full receipt of the Outstanding CB Principal and Interest on its investment in the CB issued by TTL pursuant to the deed of undertaking issued by Mr. Raymond Chu to Wise Ally Holdings as disclosed in the announcement of the Company dated 10 February 2025.

Selling, distribution and administrative expenses amounted to approximately HK$89.7 million (first half of 2024: approximately HK$84.8 million), reflecting an increase of approximately HK$4.9 million. This increase was mainly attributable to: (i) an increase in selling expenses which was primarily attributed to the increase in sales commission corresponding with the increase in sales of the respective customer during the first half of 2025, as the increase was driven by robust demand from end-customers, which prompted customer order pull in and the production ramp-up at our Batam manufacturing site further supported this growth, aligning with our "China Plus One" strategy; and (ii) an increase in employee benefit costs and remuneration paid to key management of the Group.

Net finance costs decreased by approximately HK$5.7 million, or approximately 71.3% from approximately HK$8.0 million for the first half of 2024 to approximately HK$2.3 million for the first half of 2025. The decrease in net finance costs was primarily due to the strategic bank borrowing reduction plan, alongside with the increase in interest income on bank deposits and convertible bonds by approximately HK$1.1 million, or approximately 57.3%.

Exchange gains for the first half of 2025 amounted to approximately HK$5.8 million (first half of 2024: approximately HK$3.2 million), reflecting an increase of approximately HK$2.6 million or approximately 81.3%. The increase in exchange gains was due to the appreciation of U.S. dollars during the first half of 2025 as most of the sales of the Group were conducted in U.S. dollars.

As a result of the foregoing, profit for the period attributable to equity holders of the Company for the first half of 2025 amounted to approximately HK$14.3 million (first half of 2024: approximately HK$15.7 million).

PROSPECTS

Looking into the second half of 2025, the Group remains committed to navigating a dynamic and challenging global landscape. Our resilience is underpinned by prudent cost management, effective debt reduction, and the ongoing development of our "China Plus One" manufacturing strategy. Nevertheless, we anticipate a range of external uncertainties and risks that we will continue to face.

The unresolved situation regarding US-China tariffs continues to add uncertainty to our business outlook. This has led to an increased caution among our customers, resulting in reduced or postponed orders and impacting our revenue predictability. Prolonged or intensified tariffs could also drive further shifts in our product mix and exert pressure on our margins. The global economic environment remains highly volatile, characterised by fluctuating demand, shifting investor sentiment, and economic instability in key markets. While certain regions may offer new opportunities, we anticipate continued volatility, highlighting the need for agile risk management and operational flexibility. The Group will stay alert to macroeconomic developments and adjust our strategies as necessary.

Ongoing geopolitical tensions, particularly those impacting cross-border trade and global supply chains, present additional challenges. These issues can disrupt logistics, increase compliance costs, and restrict market access, especially as regulatory environments evolve in various regions. The ongoing effects of tariff disputes and supply chain disruptions may lead to higher prices for raw materials and components, with inflationary pressures potentially impacting our cost base and gross profit margins.

Notably, the production ramp-up at our Batam manufacturing site has positively impacted growth with our US customers. This strategic expansion, aligned with our "China Plus One" strategy, has enhanced our ability to serve our key customers amid tariff uncertainties and improved operational flexibility.

In response to these external challenges, the Group will continue its cautious approach to procurement and inventory management, uphold robust trade receivable practices, and further diversify both our customer base and manufacturing presence. Management remains focused on operational efficiency and disciplined cost control. In summary, while we anticipate ongoing challenges in the operating environment, we are well-positioned to respond to market developments and mitigate risks through disciplined execution, strategic agility, and a continued commitment to excellence.

LIQUIDITY AND FINANCIAL RESOURCES

The Group funded its liquidity and capital requirements primarily through a combination of internally generated funds from its operating activities and bank borrowings. As at 30 June 2025, the Group's bank borrowings were approximately HK$123.8 million (31 December 2024: approximately HK$188.3 million) while the Group's cash and cash equivalents and term deposits with original maturity over three months were approximately HK$320.0 million (31 December 2024: approximately HK$283.9 million).

As at 30 June 2025, the Group's total net cash by means of term deposits with original maturity over three months and cash and equivalents less borrowings amounted to approximately HK$196.2 million (31 December 2024: net cash approximately HK$95.6 million) while its total equity amounted to approximately HK$234.8 million (31 December 2024: approximately HK$221.1 million). As the Group was in a net cash position as at 30 June 2025 and 31 December 2024, no gearing ratio was presented. The net gearing ratio is calculated as total borrowings net of cash and cash equivalents and term deposits with original maturity over three months divided by total equity and multiplied by 100%.

The Group has adequate liquidity to meet its current and future working capital requirements.

CAPITAL EXPENDITURES AND COMMITMENTS

For the six months ended 30 June 2025, the Group incurred total capital expenditures of HK$4.5 million for additions of properties, plant and equipment and intangible assets.

As at 30 June 2025, the Group had capital commitments in relation to the purchase of plant and machinery, contracted but not provided for in the amount of HK$2.7 million.

CONTINGENT LIABILITIES

As at 30 June 2025, to the best knowledge of the Board, the Group was not involved in any legal proceeding pending or, threatened against our Group which could have a material adverse effect on the Group's business or operations. Besides, the Group did not have any significant contingent liabilities as at 30 June 2025 (as at 30 June 2024: nil).

CHARGES ON ASSETS

As at 30 June 2025, there were no charges over the assets of the Group (as at 30 June 2024: nil).

FOREIGN EXCHANGE AND RISK MANAGEMENT

The Group operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising primarily with respect to the United States dollars ("**USD**") and Chinese Renminbi ("**RMB**"). Most of the Group's sales proceeds are received in USD and some of the Group's purchases and operating expenses are denominated in RMB. The Group closely monitors its overall foreign exchange exposure from time to time and will adopt a proactive but prudent approach to minimize the relevant exposures.

INTERIM DIVIDEND

The Directors do not recommend any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

CAPITAL STRUCTURE

The shares of the Company were listed on the Main Board of the Stock Exchange on 10 January 2020. As at 30 June 2025, the Company's total number of issued shares was 100,000,000 of HK$0.2 each (30 June 2024: 100,000,000 shares of HK$0.2 each).

As at 30 June 2025, the Group's capital structure consists of bank borrowings and equity attributable to equity holders of the Company, comprising issued share capital and reserves. There was no material change in capital structure of the Group during the six months ended 30 June 2025.

MATERIAL EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no significant events after 30 June 2025 which have material effect on the Group.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as the aforesaid disposal of 10% issued shares of TTL as set out in the note 13 to the condensed consolidated financial information above, the Group did not have any significant investments, material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2025.

Save as the aforesaid CB included in the financial asset at fair value through profit or loss as set out in the note 14 to the condensed consolidated financial information above, the Group did not make or hold any significant investments (including any investment with a value of 5% or more of the Group's total assets as at 30 June 2025) during the six months ended 30 June 2025.

EMPLOYEES

As at 30 June 2025, the Group employed approximately 1,500 (31 December 2024: 1,900) employees in Hong Kong and the PRC. Total staff costs for the six months ended 30 June 2025 amounted to HK$120.4 million (for the year ended 31 December 2024: HK$257.0 million). The Group adopts a remuneration policy which is commensurate with job nature, qualification and experience of employees. In addition to the provision of annual bonuses and employee related insurance benefits, discretionary bonuses are also rewarded to employees based on individual performance. The remuneration packages and policies are reviewed periodically. The Group also provides in-house and external training programs to its employees. The emoluments of the Directors are decided by the Board and the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

The Group has also adopted a share option scheme on 10 December 2019 for the purpose of providing incentives to eligible participants of the scheme, including Directors, full-time employees and advisers and consultants to the Group. No share option was granted during the six months ended 30 June 2025 and, as at 30 June 2025, there was no outstanding option granted under the scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025 (including sales of treasury shares (as defined in the Listing Rules)). As at 30 June 2025, there was no treasury shares held by the Company or its subsidiaries.

CORPORATE GOVERNANCE

The Company had adopted and complied with all applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025 except for code provision C.2.1.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has deviated from this code provision as Mr. Raymond Chu has acted as both the Chairman and Chief Executive Officer of the Company since 30 September 2021.

Considering that Mr. Raymond Chu is the founder of the Group and possesses the expertise and extensive experience in the electronics manufacturing services industry conducive to the Company's development, coupled with Mr. Raymond Chu's responsibility in major decision-making concerning the Group's daily management and business, the Board believes that both the roles of Chairman and Chief Executive Officer being assumed by Mr. Raymond Chu can provide the Group with strong and consistent leadership and allow for effective development of long-term business strategies and efficient execution of business decisions and plans.

The Board also believes that the balance of authority is adequately ensured as the Board currently comprises three independent non-executive Directors who offer different independent perspectives. At the same time, all major decisions of the Company are made in consultation with members of the Board as well as the senior management. Therefore, the Board is of the view that the current organizational structure of the Company is in the interests of the Company and the shareholders of the Company as a whole, and there is adequate balance of power and safeguards in place. The Board will nevertheless review the organizational structure of the Company and composition of the Board from time to time in light of prevailing circumstances in order to maintain a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by the Directors in the securities of the Company and other matters covered by the Model Code.

Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the required provisions set out in the Model Code throughout the six months ended 30 June 2025.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors, namely Ms. Elizabeth Law (chairperson of the Audit Committee), Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal control and financial reporting matters with the management including a review of the unaudited condensed consolidated financial statements and the interim results for the six months ended 30 June 2025.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Company's website at ***www.wiseally.com.hk*** and the Stock Exchange's website at ***www.hkexnews.hk***. The 2025 interim report will be dispatched to the shareholders of the Company and will be available on the above websites in due course.

By Order of the Board
Wise Ally International Holdings Limited
Chu Wai Hang Raymond
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 28 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. Chu Wai Hang Raymond, Mr. Chu Man Yin Arthur Newton and Mr. Lau Shui Fung; and the independent non-executive directors of the Company are Ms. Elizabeth Law, Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting.